

EXHIBIT L



ABST Division
Inland Revenue Department
Newgate Street
St. John's
Antigua

Government of Antigua & Barbuda

Tel No 562 5823

Fax No 462 3175

American University of Antigua
College of Medicine
Jasmine Court
PO Box W1451
St. John's
Antigua

Friday 31st August 2007

Dear Sirs

I write with regard to the treatment of the University under the newly implemented Antigua and Barbuda Sales Tax, and your correspondence in this regard and the subsequent meetings with your representatives and the Minister of Finance and the Economy and the author.

Subsequent to our meetings and discussions I have reviewed the various pieces of legislation which impinge on the taxation of imports and domestic supplies to the University. In the first instance as previously communicated the Antigua and Barbuda Sales Tax Act 2006 makes no provision for the waiver of the tax and therefore makes all imports into and purchases within Antigua and Barbuda subject to ABST at the rates defined within the Act.

There are therefore two areas that required consideration, those being the construction of the University premises within the Free Trade and Processing Zone, and its future activities within that zone. The second being the current activities carried on at Friars Hill Road and Jasmine Court. I shall address each area in turn.

Activities within the Free Trade and Processing Zone

The Free Trade and Processing Zone Act 1994 contains a number of provisions dealing with the treatment of licensees (which I understand you to be). Section 14 (c) and (d) (reproduced below) allows for the importation of materials for the construction of premises and for the operations carried on within the Free Trade and Processing Zone. This would cover direct imports and relieve them from ABST.

14. Notwithstanding any law to the contrary, and subject only to this Act a licensee shall, during the currency of his licence be-

(c) exempted from the payment of taxes and other duties on the importation of machinery, equipment, spare parts, construction material and other items needed to construct and operate facilities within the free trade and processing zone;

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(d) exempted from payment of duty and other taxes on the importation of raw materials and other goods to be incorporated in the products produced or assembled within or to be utilized in the performance of services within the free trade and processing zone.

Sections 18 (3) of The Free Trade and Processing Zone Act 1994 (reproduced below) allows for domestic supplies of both goods and services to a licensee in the Zone to be treated as imports into the zone and exports from Antigua and Barbuda. This would cover domestic supplies into the Zone and relieve them from ABST.

18. (3) Any goods and services sold by companies within Antigua and Barbuda and sent into the Free Trade and Processing Zones shall be considered as imports into the Free Trade and Processing Zone and as exports from Antigua and Barbuda.

Current Operations at Friars Hill Road/Jasmine Court

Since these areas are currently outwith the Zone then none of the above applies to supplies received in respect of these operations. Section 27(1)(a) of The Free Trade and Processing Zone Act 1994 (reproduced below) allows the Minister with responsibility for Trade to make regulations Governing the operation of the Zone and I shall be discussing with the Minister of Finance and the Economy how these provisions may be utilised to include the current premises in the Zone thus bringing the above provisions to bear.

*27. (1) The Minister may, with the approval of the Cabinet, make regulations relating to -
(a) the management, supervision, control and operation of a free trade and processing zone;*

I shall communicate further once the Minister has considered further the Ministries position in how we can further assist the University's development program.

Yours faithfully

DJ McLaren
Director ABST Implementation

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Yours faithfully

D.J. McLean
Director ABST Implementation

2, 1994